

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01536A



Lazy C. Water Service

PO Box 1

Tucson, AZ 85702

20-29-05/05:51 PCVD

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

9-2-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Lazy C Water Service

Mailing Address P.O. Box 1
(Street)

Tucson AZ 85702
(City) (State) (Zip)

520-743-0785 520-743-4557
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address rchiser@msn.com

Local Office Mailing Address same
(Street)

(City) (State) (Zip)

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Robert J. Canifield President
(Name) (Title)

4802 W. Kay T Drive Tucson AZ 85745
(Street) (City) (State) (Zip)

520-743-0758 520-743-4557
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address rchiser@msn.com

On Site Manager: Robert J. Canifield
(Name)

same
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Patrick Farrell _____

(Name)

1 South Church

Tucson

AZ

85701

(Street)

(City)

(State)

(Zip)

520-882-4994

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	23,100	12,213	10,887
311	Pumping Equipment	38,564	25,272	13,292
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	13,569		
331	Transmission and Distribution Mains	194,969	30,080	164,889
333	Services	2,075		
334	Meters and Meter Installations	13,891		
335	Hydrants	589		
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	11,847		
340	Office Furniture and Equipment	1,565		
341	Transportation Equipment	38,000	18,008	19,992
343	Tools, Shop and Garage Equipment	24,837		
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	363,006	85,573	209,060

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	23,100	2.04	471
311	Pumping Equipment	38,564	2.38	917
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	13,569		
331	Transmission and Distribution Mains	194,969	.61	1,189
333	Services	2,075		
334	Meters and Meter Installations	13,891	24	3,331
335	Hydrants	589		
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	1,847		
340	Office Furniture and Equipment	1,565		
341	Transportation Equipment	38,000	4.67	1,774
343	Tools, Shop and Garage Equipment	24,837		
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	363,006		7,682

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 36,469.97	\$ 52,928
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	3,268.03	4,860
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 39,758.00	\$ 57,788
	FIXED ASSETS		
101	Utility Plant in Service	\$ 339,952.00	\$ 339,952
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	126,450.00	85,573
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 213,502.00	\$ 254,379
	TOTAL ASSETS	\$ 253,240.00	\$ 312,167

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)	150.00	
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	226,665.00	226,665
	TOTAL CURRENT LIABILITIES	\$ 226,815.00	\$ 226,665
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 226,815.00	\$ 226,665
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 10,000.00	\$ 10,000
211	Paid in Capital in Excess of Par Value	5,767.00	5,767
215	Retained Earnings	10,658.00	10,658
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 26,425.00	\$ 26,425
	TOTAL LIABILITIES AND CAPITAL	\$ 253,240.00	\$ 253,090

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 104,358.00	\$ 110,665
460	Unmetered Water Revenue	7,597.00	520
474	Other Water Revenues		
	TOTAL REVENUES	\$ 111,955.00	\$ 111,185
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water	2,250.00	6,491
615	Purchased Power	13,256.00	13,495
618	Chemicals		
620	Repairs and Maintenance	64,820.00	2,700
621	Office Supplies and Expense	2,495.00	4,991
630	Outside Services	36,522.00	17,890
635	Water Testing	1,044.00	1,569
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	6,926.00	4,113
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	469.00	759
403	Depreciation Expense	7,461.00	7,682
408	Taxes Other Than Income	5,831.00	12,071
408.11	Property Taxes	4,130.00	11,711
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 145,204.00	\$ 83,472
	OPERATING INCOME/(LOSS)	\$ (33,249.00)	\$ 27,713
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (33,249.00)	\$ 27,713

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ -00.0-
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Meter Deposits Refunded During the Test Year	\$ - 0.00-
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COMPANY NAME	Lazy C Water Service		
Name of System:	Lazy C Water Service	ADEQ Public Water System Number:	10-065

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-801499	15	60	563	8-5/8	1-1/2	1993
55-801500	15	48	650	8	1-1/2	1996

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
City of Tucson	90	2,131,066

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	1	1	
20	1		
10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	3,000	2
25,000	1	2,000	1
10,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Lazy C Water Service	
Name of System: Lazy C Water Service	ADEQ Public Water System Number: 10-065

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		8,909
3		1,600
4		21,765
5		
6		18,184
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	106
3/4	
1	24
1 1/2	1
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

250'	chain link fence 6' high
68'	grape stake 5' high
300'	colored concrete block wall 5' high
6'	chain link gate (2)

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Lazy C Water Service	
Name of System: Lazy C Water Service	ADEQ Public Water System Number: 10-065

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	132	1,084,580	1,009,800	153,340
FEBRUARY	131	1,109,230	1,069,300	13,464
MARCH	131	1,443,640	1,435,800	58,334
APRIL	131	1,563,540	1,426,800	113,696
MAY	133	1,987,360	1,679,700	101,728
JUNE	132	1,917,120	1,679,700	255,068
JULY	132	2,220,720	2,052,700	311,916
AUGUST	132	1,759,870	1,513,300	163,064
SEPTEMBER	132	1,714,020	1,590,400	776,424
OCTOBER	132	1,568,460	1,523,100	94,996
NOVEMBER	132	1,647,510	1,455,800	73,304
DECEMBER	132	848,130	839,900	14,212
TOTALS →		188,641,184	17,276,300	2,129,546

POE #1 0.0064

What is the level of arsenic for each well on your system? _POE #2 0.0066_ mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1,000 _GPM for _4_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
(X) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Lazy C Water Service YEAR ENDING **12/31/2007**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 11,711.32

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

Pima County
Robert J. Canfield President
Lazy C Water Service

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

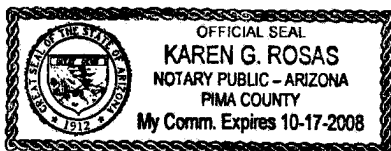
MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



Robert J. Canfield
SIGNATURE OF OWNER OR OFFICIAL
(520) 743 0758
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 27 DAY OF Aug 08

(SEAL)

COUNTY NAME	Pima	
MONTH	08 - 27	20_08

MY COMMISSION EXPIRES 10-17-08

Karen G. Rosas
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Lazy C Water Service YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 111,185
Estimated or Actual Federal Tax Liability 4,313

State Taxable Income Reported 27,447
Estimated or Actual State Tax Liability 1,915

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Robert T. Canfield
SIGNATURE

8-27-08
DATE

Robert T. Canfield
PRINTED NAME

Owner President
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

Pima County

Robert J. Canfield President

Lazy C Water Service

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 111,185

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,363
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Robert J. Canfield
SIGNATURE OF OWNER OR OFFICIAL
(520) 743 0258
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

27

DAY OF

Aug 2008

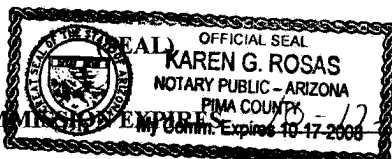
COUNTY NAME

Pima

MONTH

Aug 27

2008



MY COMMISSION EXPIRES

10-17-2008

Karen G. Rosas
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

Pima County	
Robert J. Canfield	President
Lazy C Water Service	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 111,185

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 6,363

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Robert J. Canfield
SIGNATURE OF OWNER OR OFFICIAL

(520) 743 0758
TELEPHONE NUMBER

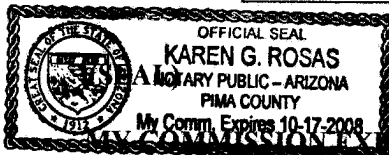
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

27

DAY OF Aug
2008



NOTARY PUBLIC NAME <u>Karen G. Rosas</u>	
COUNTY NAME <u>Pima</u>	
MONTH <u>Aug.</u>	DAY <u>27</u>
YEAR <u>2008</u>	

X

Karen G. Rosas

SIGNATURE OF NOTARY PUBLIC